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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re CERUS CORPORATION SECURITIES LITIGATION) Master File No. C-03-5517-JF(RS)

CLASS ACTION

This Document Relates To:)
ALL ACTIONS.) [PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE

DATE: November 17, 2006
TIME: 10:30 a.m.
COURTROOM: The Honorable Jeremy Fogel

1 WHEREAS, a consolidated class action is pending before the Court entitled *In re Cerus*
2 *Corporation Securities Litigation*, Master File No. C-03-5517-JF(RS) (the "Litigation");

3 WHEREAS, the Court has received the Stipulation and Agreement of Settlement dated
4 August 29, 2006 (the "Stipulation"), that has been entered into by the Lead Plaintiffs and
5 Defendants, and the Court has reviewed the Stipulation and its attached Exhibits; and

6 WHEREAS, the Settling Parties having made application, pursuant to Federal Rule of Civil
7 Procedure 23(e), for an order preliminarily approving the settlement of this Litigation, in accordance
8 with the Stipulation which, together with the Exhibits annexed thereto sets forth the terms and
9 conditions for a proposed settlement of the Litigation and for dismissal of the Litigation with
10 prejudice upon the terms and conditions set forth therein; and the Court having read and considered
11 the Stipulation and the Exhibits annexed thereto; and

12 WHEREAS, all defined terms contained herein shall have the same meanings as set forth in
13 the Stipulation;

14 NOW, THEREFORE, IT IS HEREBY ORDERED:

15 1. The Court does hereby preliminarily approve the Stipulation and the Settlement set
16 forth therein, subject to further consideration at the Settlement Hearing described below.

17 2. A hearing (the "Settlement Hearing") shall be held before this Court on February 16,
18 2007, at 9:00 a.m., at the United States Courthouse, 280 South First Street, San Jose, California, to
19 determine whether the proposed Settlement of the Litigation on the terms and conditions provided
20 for in the Stipulation is fair, reasonable and adequate to the Settlement Class and should be approved
21 by the Court; whether a Judgment as defined in ¶1.11 of the Stipulation should be entered herein;
22 whether the proposed Plan of Allocation should be approved; and to determine the amount of fees
23 and expenses that should be awarded to Plaintiffs' Lead Counsel. The Court may adjourn the
24 Settlement Hearing without further notice to members of the Settlement Class.

25 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court preliminarily
26 certifies, for purposes of effectuating this Settlement, a Settlement Class of all Persons who
27 purchased or otherwise acquired Cerus common stock between December 19, 2000 and January 30,
28 2003, inclusive. Excluded from the Settlement Class are the Defendants, members of the immediate

1 families of the Individual Defendants, any entity in which any Defendant has a controlling interest,
2 and the legal representatives, heirs, successors, or assigns of any Defendant. Also excluded from the
3 Settlement Class are those Persons who timely and validly request exclusion from the Settlement
4 Class pursuant to the Notice of Pendency and Proposed Settlement of Class Action (the "Notice").

5 4. With respect to the Settlement Class, this Court preliminarily finds for purposes of
6 effectuating this Settlement that: (a) the members of the Settlement Class are so numerous that
7 joinder of all Settlement Class Members in the Litigation is impracticable; (b) there are questions of
8 law and fact common to the Settlement Class which predominate over any individual questions; (c)
9 the claims of the Lead Plaintiffs are typical of the claims of the Settlement Class; (d) the Lead
10 Plaintiffs and Plaintiffs' Lead Counsel have fairly and adequately represented and protected the
11 interests of all of the Settlement Class Members; and (e) a class action is superior to other available
12 methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the
13 members of the Settlement Class in individually controlling the prosecution of the separate actions;
14 (ii) the extent and nature of any litigation concerning the controversy already commenced by
15 members of the Settlement Class; (iii) the desirability or undesirability of continuing the litigation of
16 these claims in this particular forum; and (iv) the difficulties likely to be encountered in the
17 management of the Litigation.

18 5. The Court approves, as to form and content, the Notice, the Proof of Claim and
19 Release form (the "Proof of Claim"), and Summary Notice for publication annexed as Exhibits A-1,
20 A-2 and A-3 hereto, and finds that the mailing and distribution of the Notice and publishing of the
21 Summary Notice substantially in the manner and form set forth in ¶¶6-7 of this Order meet the
22 requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice
23 practicable under the circumstances and shall constitute due and sufficient notice to all Persons
24 entitled thereto.

25 6. Plaintiffs' Lead Counsel are hereby authorized to retain the firm of Gilardi & Co.
26 LLC ("Claims Administrator") to supervise and administer the notice procedure as well as the
27 processing of claims as more fully set forth below:

1 (a) Not later than December 4, 2006 (the "Notice Date"), Plaintiffs' Lead Counsel
2 shall cause a copy of the Notice and the Proof of Claim, substantially in the forms annexed as
3 Exhibits A-1 and A-2, to be mailed by first class mail to all Settlement Class Members who can be
4 identified with reasonable effort;

5 (b) Not later than December 5, 2006, Plaintiffs' Lead Counsel shall cause the
6 Summary Notice to be published once in *Investor's Business Daily*; and

7 (c) At least seven (7) calendar days prior to the Settlement Hearing, Plaintiffs'
8 Lead Counsel shall cause to be served on Defendants' Counsel of Record and filed with the Court
9 proof, by affidavit or declaration, of such mailing and publishing.

10 7. Nominees who purchased or otherwise acquired Cerus common stock during the
11 period beginning December 19, 2000 through January 30, 2003, inclusive, shall send the Notice and
12 the Proof of Claim to all beneficial owners of such Cerus common stock within ten (10) days after
13 receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims
14 Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall
15 promptly mail the Notice and Proof of Claim to such beneficial owners. Plaintiffs' Lead Counsel
16 shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable
17 out-of-pocket expenses incurred in providing notice to beneficial owners who are Settlement Class
18 Members out of the Notice and Administration Fund, which expenses would not have been incurred
19 except for the sending of such notice, subject to further order of this Court with respect to any
20 dispute concerning such compensation.

21 8. All members of the Settlement Class shall be bound by all determinations and
22 judgments in the Litigation concerning the Settlement, whether favorable or unfavorable to the
23 Settlement Class.

24 9. Settlement Class Members who wish to participate in the Settlement shall complete
25 and submit Proof of Claim forms in accordance with the instructions contained therein. Unless the
26 Court orders otherwise, all Proof of Claim forms must be submitted no later than ninety (90) days
27 from the Notice Date. Any Settlement Class Member who does not timely submit a Proof of Claim
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1 within the time provided for shall be barred from sharing in the distribution of the proceeds of the
2 Settlement Fund, unless otherwise ordered by the Court.

3 10. Any Person who desires to request exclusion from the Settlement Class shall do so
4 within the time set forth and in the manner described in the Notice. All Persons who submit valid
5 and timely Requests for Exclusion in the manner set forth in the Notice shall have no rights under
6 the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound
7 by the Stipulation or the Judgment entered in the Litigation.

8 11. Any member of the Settlement Class may enter an appearance in the Litigation, at
9 their own expense, individually or through counsel of their own choice. If they do not enter an
10 appearance, they will be represented by Plaintiffs' Lead Counsel.

11 12. Any member of the Settlement Class may appear and show cause, if he, she or it has
12 any reason, why the proposed Settlement of the Litigation should or should not be approved as fair,
13 reasonable and adequate, why a judgment should or should not be entered thereon, why the Plan of
14 Allocation should or should not be approved, or why attorneys' fees and expenses should or should
15 not be awarded to Plaintiffs' Lead Counsel; provided, however, that no Settlement Class Member or
16 any other Person shall be heard or entitled to contest the approval of the terms and conditions of the
17 proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the
18 order approving the Plan of Allocation, or the attorneys' fees and expenses to be awarded to
19 Plaintiffs' Lead Counsel, unless that Person has delivered by hand or sent by first class mail written
20 objections and copies of any papers and briefs such that they are received on or before February 1,
21 2007, by: Lerach Coughlin Stoia Geller Rudman & Robbins LLP, Joy Ann Bull, 655 W. Broadway,
22 Suite 1900, San Diego, CA 92101; Morrison & Foerster LLP, Jordan Eth, 425 Market Street, San
23 Francisco, CA 94105-2482, and filed said objections, papers and briefs with the Clerk of the United
24 States District Court for the Northern District of California, San Jose Division, on or before February
25 1, 2007. Any member of the Settlement Class who does not make his, her or its objection in the
26 manner provided shall be deemed to have waived such objection and shall forever be foreclosed
27 from making any objection to the fairness or adequacy of the proposed Settlement as set forth in the
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1 Stipulation, to the Plan of Allocation, or to the award of attorneys' fees and expenses to Plaintiffs'
2 Lead Counsel, unless otherwise ordered by the Court.

3 13. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such
4 funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

5 14. All papers in support of the Settlement, the Plan of Allocation, and any application by
6 Plaintiffs' Lead Counsel for attorneys' fees or reimbursement of expenses shall be filed and served
7 seven (7) calendar days prior to the Settlement Hearing.

8 15. The Plan of Allocation and any application for attorneys' fees or reimbursement of
9 expenses submitted by Plaintiffs' Lead Counsel, and such matters will be considered separately from
10 the fairness, reasonableness and adequacy of the Settlement. At or after the Settlement Hearing, the
11 Court shall determine whether the Plan of Allocation proposed by Plaintiffs' Lead Counsel, and any
12 application for attorneys' fees or reimbursement of expenses shall be approved.

13 16. All reasonable expenses incurred in identifying and notifying Settlement Class
14 Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation.
15 In the event the Settlement is not approved by the Court, or otherwise fails to become effective,
16 neither the Lead Plaintiffs nor Plaintiffs' Lead Counsel shall have any obligation to repay any
17 amounts actually and properly disbursed from the Notice and Administration Fund.

18 17. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations
19 or proceedings connected with it, shall be construed as an admission or concession by Defendants of
20 the truth of any of the allegations in the Litigation, or of any liability, fault, or wrongdoing of any
21 kind.

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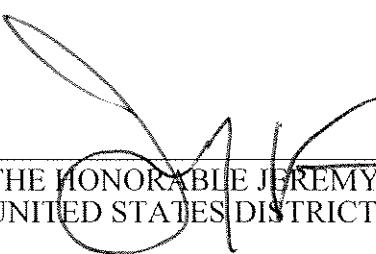
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1 18. The Court reserves the right to adjourn the date of the Settlement Hearing without
2 further notice to the members of the Settlement Class, and retains jurisdiction to consider all further
3 applications arising out of or connected with the proposed Settlement. The Court may approve the
4 Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate,
5 without further notice to the Settlement Class.

6 IT IS SO ORDERED.

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8 DATED: 11/17/06 
9
THE HONORABLE JEREMY FOGEL
UNITED STATES DISTRICT JUDGE

10 Submitted by:

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